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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/616,878	07/10/2003	Richard W. Ettinger JR.	97715.00002	2641
7590 06/27/2007 MC CARTER & ENGLISH, LLP FINANCIAL CENTRE, SUITE 304A 695 EAST MAIN STREET STAMFORD, CT 06901-2138			EXAMINER MOONEYHAM, JANICE A	
			ART UNIT 3629	PAPER NUMBER
			MAIL DATE 06/27/2007	DELIVERY MODE PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

## Office Action Summary

Application No.

10/616,878

Applicant(s)

ETTINGER, RICHARD W.

Examiner

Janice A. Mooneyham

Art Unit

3629

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 29 March 2007.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-15 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-15 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)                                | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                       | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

Art Unit: 3629

### DETAILED ACTION

1. This is in response to the applicant's communication filed on March 29, 2007, wherein:

Claims 1-15 are currently pending;

Claims 1 and 11 have been amended.

### Requirement for Information, Public Use or Sale

2. An issue of public use or on sale activity has been raised in this application. In order for the examiner to properly consider patentability of the claimed invention under 35 U.S.C. 102(b), additional information regarding this issue is required as follows:

Applicant submitted the following information on February 19, 2004:

Applicant was previously affiliated with a company known as NationalHousewares.com (the "Company"). The Company maintained a website that permitted web users to view potential products (houseware products) that were offered for sale by the Company. All products available for purchase at the Company's website were posted by the Company. Web users were permitted to make offers for product(s) posted at the Company's website. In response to a web user's offer, ***the Company's website was programmed to extend a counter-offer pursuant to parameters set by the Company.*** However, the Company's counter-offers did not vary based on price-quantity breaks with counter offer ranges and wait periods. In addition, as noted above, the Company's website was designed to permit third parties to post products for sale. Thus, the Company's website could not be utilized by third parties to define customized criteria for each third party item posted for sale at the website.

The applicant has stated that NationalHousewares.com (the Company) maintained a website which permitted web users to view products, make offers for the products, and, in response to the web user's offer, a program on the website extended a counter-offer pursuant to parameters set by the Company (i.e., without human

Art Unit: 3629

intervention). The Examiner is requesting that the applicant provide any and all relevant information that is available to applicant on this website, such as the dates that this website was in operation, any screenshots of the web pages, etc. If this website was in public use more than one year prior to applicant's filing date, then this becomes a 102 (b) bar. This information also raises inventorship issues.

Applicant is reminded that failure to fully reply to this requirement for information will result in a holding of abandonment.

### ***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

3. Claims 1-10 are rejected under 35 U.S.C. 102(b) as being anticipated by Conklin et al. et al (US 6,338,050) (hereinafter referred to as Conklin et al.).

Referring to Claims 1-10:

Conklin et al. discloses a system, comprising:

a processor that is adapted to communicate with a network, said processor further communicating with computer storage and being adapted to run a program that is maintained within said storage (col. 17, lines 14-34).

The Examiner notes that claims 1-10 are directed to a system. A system/apparatus must be distinguished from the prior art in terms of structure rather

Art Unit: 3629

than function alone (MPEP 2114). It appears that applicant is trying to define the system by what it does or a property or characteristic it has rather than by what it is as would be evidenced by specific structure. Therefore, since applicant identifies the invention in claims 1-10 as a system, the Examiner is unclear why applicant is identifying the system by steps performed by the system. Although a rejection not raised, the Examiner notes that claim limitations that define a system by what it does rather than its structure often raise 101 issues, hybrid claims incorporating two statutory classes, and 112, 2<sup>nd</sup> paragraph issues.

Claims limitations that employ phrased of the type "adapted to", "capable of", "for" doing something are typical of claim limitations which may not distinguish over prior art. It has been held that the recitation that an element is "adapted to" perform a function is not a positive limitation but only requires the ability to do so.

A recitation directed to the manner in which a claimed apparatus/system is intended to be used does not distinguish the claimed apparatus from the prior art if the prior art is capable of performing the function. The Examiner asserts that Conklin et al. discloses a system for implementing an automated negotiation process.

As for the limitations of claims 2-9, wherein said predetermined criteria include a formula for calculating said one or more counter offers, wherein said predetermined criteria include a buy-now price for said good or service, wherein said one or more counter offers calculated by said processor include one or more combinations of price and quantity, wherein said predetermined criteria include a randomization factor, wherein said randomization factor results in a different counter offer being generated in

Art Unit: 3629

response to the same offer, and wherein said computer storage contains information related to the quantity of goods or services available for purchase identify the criteria but do not provide limitations further identifying the structure of the system.

The data defining the predetermined criteria and the data defining the counteroffers is non-functional descriptive data, not functionally related to the structure of the system. Therefore, this data does not distinguish over the prior art in terms of patentability. see *In re Ngai*, 367 F.3d 1336, 1339, 70 USPQ2d 1862, 1864 (Fed. Cir. 2004); *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983).

As for applicant's claim limitation that the program is automatically run by the processor without human intervention or that the information contained in said computer storage is automatically updated to reflect changes to the quantity of goods or services available for purchase, the Examiner directs the applicant to the following from *Collegenet, Inc. v Applyyourself, Inc.* (CAFC, 04-1202,-1222,-1251, 8/2/2005):

It asserts that "automatically" means a "process that occurs without human intervention, such that a human does not have the option to intercede and alter the flow of that process." The district court's construction is supported by the language of the claims, the specification, and the prosecution history; therefore this court affirms the grant of summary judgment.

Claim 1 uses the word "comprising." "The transitional term 'comprising' . . . is inclusive or open-ended and does not exclude additional, unrecited elements or method steps." *Georgia-Pacific Corp. v. United States Gypsum Co.*, 195 F.3d 1322, 1327-28 (Fed. Cir. 1999). "A drafter uses the term 'comprising' to mean 'I claim at least what follows and potentially more.'" *Vehicular Techs. Corp. v. Titan Wheel Int'l, Inc.*, 212 F.3d 1377, 1383-84 (Fed. Cir. 2000). Thus, consistent with this court's precedent, the district court correctly adopted CollegeNet's inclusive definition and rejected ApplyYourself's preclusive definition. While claim 1 does not expressly provide for human intervention, the use of "comprising" suggests that additional, unrecited elements are not excluded. Such elements could include human actions to expressly initiate the automatic storing or inserting, or to interrupt such functions.

This construction does not read "automatically" out of the claims, as ApplyYourself suggests, because a machine still performs the claimed functions without manual operation, even though a human may initiate or interrupt the process. The district court's automatic dishwasher and auto-pilot examples also support this court's understanding of automatic processes that contemplate human intervention. "[S]imply because a human has to load [an automatic dishwasher] and press the start button, and has the ability to turn it off mid-cycle, does not mean that the device does not 'automatically' wash the dishes." Markman ruling, slip. op. at 83. Similarly, "an 'auto-pilot' which is turned on by a human and necessarily must be able to be interrupted by a human once the automatic process is engaged . . . remains an 'automatic' device." Id. slip. op. at 83-84. Thus, the claim language supports the district court's interpretation.

Markman ruling, slip. op. at 92-93. The patent applicants then amended claims 1 and 21 to include the term "automatically." The district court correctly concluded that the patent applicants' prosecution-related comments supported its interpretation of "automatically." Markman ruling, slip. op. at 98. The addition of "automatically" to the claim language did not prohibit human interaction; it merely decreased the need for the user to insert information into a form. In addition, the distinction over Scharmer was not that the applicants' invention eliminated the requirement of manual input of data into a form. Rather, the distinction was that instead of a one-way flow of information from a database where a machine inputs information which has previously been stored in the database by some other process, into a form, the claimed invention allows a two-way flow of information in that the user, by filling out and saving an application form, enters data into the database which can then be accessed by the forms engine to allow the forms engine to input that data into a second form.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Art Unit: 3629

4. Claims 11 and 13-15 are rejected under 35 U.S.C. 103(a) as being unpatentable over Conklin et al. (US 6,338,050) in view of Batachia et al (US 7,103,580) (hereinafter referred to as Batachia).

Referring to Claim 11:

Conklin et al. discloses a method for conducting a computer-based negotiation, comprising:

- i. receiving an offer from a first location across a network at a processor (Figure 7 (540));
- ii. assessing the offer against predefined acceptance criteria (Figure 7, (532);
- iii. in the event the offer does not satisfy the predefined acceptance criteria, automatically generating one or more counter offers (col. 14, lines 1-29;
- iv. automatically transmitting said one or more counter offers across said network to said first location (col. 17, lines 14-34).

While Conklin discloses an automated negotiation method, Conklin et al. does not disclose that after the offer is received, the use of intelligent agents to compare the offer against pre-defined rules, and in the event that the offer does not satisfy the pre-defined criteria, intelligent agents generating one or more counter-offers without user intervention.

However, Batachia discloses that after the offer is received, the use of intelligent agents to compare the offer against pre-defined rules, and in the event that the offer does not satisfy the pre-defined criteria, intelligent agents generating one or more

Art Unit: 3629

counter-offers without user intervention (col. 3, line 62 thru col. line 7; col. 7, lines 39-50).

It would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the automated negotiation system of Conklin et al. the intelligent agent taught in Batachia since, of the multitude of potential uses of intelligent agents with negotiation capabilities, electronic commerce is the most import since the traditional activity for buying and selling is time consuming and includes steps such a negotiation of price and quantity and effective use of software agents negotiating in electronic market places can dramatically reduce the transaction costs for all involved.

NOTE:

The claim language "in the event the offer does not satisfy..." is conditional language.

MPEP 2106 states:

The subject matter of a properly construed claim is defined by the terms that limit its scope. It is this subject matter that must be examined. As a general matter, the grammar and intended meaning of terms used in a claim will dictate whether the language limits the claim scope. Language that suggests or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim limitation.

Referring to Claim 13:

Conklin et al. discloses wherein said one or more counter offers includes one or more combinations of quantity and price (col. 1, lines 41-44).

Referring to Claim 14:

Batachia discloses wherein said one or more counter offers includes a buy-now option (col. 5, lines 51-55; col. 6, line 1-2; col. 7, lines 34-38).

Referring to Claim 15:

Batachia discloses transmitting a wait period based on said predetermined criteria (col. 5, lines 63-67; col. 6, lines 49-62; col. 10, lines 31-38).

5. Claim 12 is rejected under 35 U.S.C. 103(a) as being unpatentable over Conklin et al. and Batachia as applied to claim 11 above, and further in view of Bigus et al (US 6,401,080) (hereinafter referred to as Bigus).

Conklin et al. in combination with Batachia discloses the limitations of claim 11.

Conklin et al. does not disclose wherein said generation of said one or more counter offers includes use of a randomization factor.

However, Bigus discloses a randomization factor (abstract, col. 8, lines 24-39).

It would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation method of Conklin et al. the randomization

Art Unit: 3629

factor of Bigus for the reason that if a selling agent uses a predictable algorithm to make offers, the other party may be able to detect the trend and predict the lowest price acceptable to the agent thus reducing the chances of the agent being able to negotiate a price higher than its minimum acceptable price.

***Response to Arguments***

6. Applicant's arguments with respect to claims 1-15 have been considered but are moot in view of the new ground(s) of rejection.

***Conclusion***

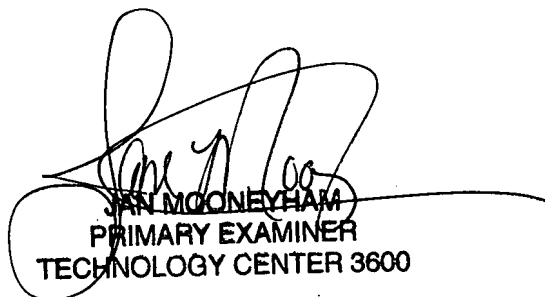
Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Janice A. Mooneyham whose telephone number is (571) 272-6805. The examiner can normally be reached on Monday through Thursday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss can be reached on (571) 272-6812. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.



JAN MOONEYHAM  
PRIMARY EXAMINER  
TECHNOLOGY CENTER 3600